

Evaluating a Direct Sourcing Solution

Key factors to consider when incorporating direct sourcing into a contingent talent strategy

“...top independent professionals are a breed apart, and they want to go direct...Enterprises that wish to be successful in engaging this critical source of skills, expertise and services must have a technology-enabled direct sourcing solution that will be fit for this purpose and will meet the full complement of enterprise solution requirements.”¹

In order to evaluate a direct sourcing solution for engaging and managing contingent talent, organizations must determine the talent type the program will be used for, decide how the program will fit into their existing contingent talent strategy, and customize suggested evaluation criteria based on organizational needs and goals.

As discussed in Part III: The Requirements of Direct Sourcing, it is first important to begin with a centrally managed independent contractor compliance and engagement program. Enterprises must understand both the costs and benefits of implementing a program, secure a dedicated program sponsor or champion within their organization, and begin an education campaign so internal employees and hiring managers understand how and why the program exists and adhere to new policies and processes.

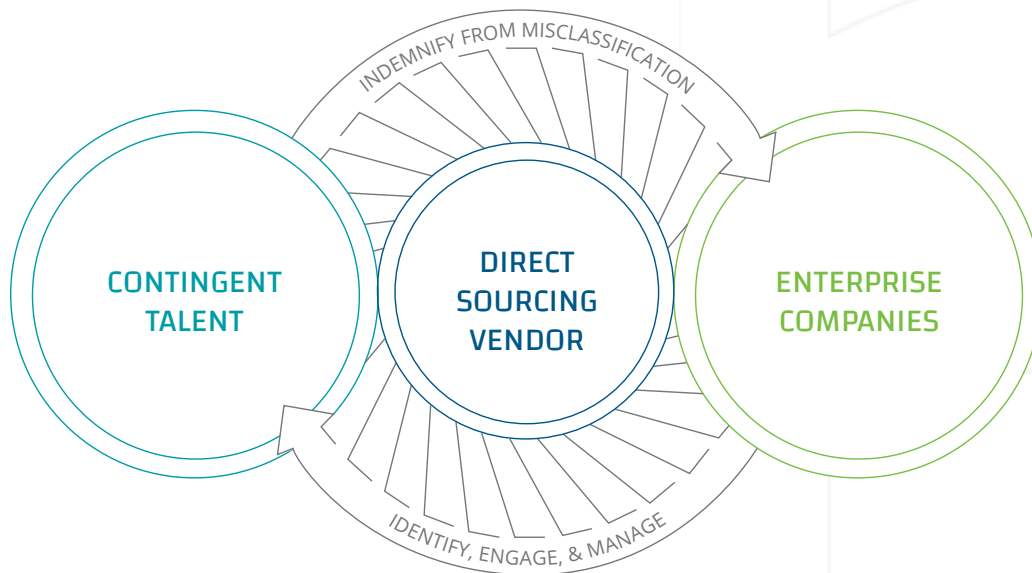
Throughout this time, enterprises will need to consider what type of contingent talent they will engage— independent contractors, temporary workers, SOW project-based workers, etc.—as talent type will shape program design. Enterprises should also take a close look at current policies regarding independent contractors, if applicable. Evaluate current worker classification processes and determine whether or not they are compliant with federal, state, and local laws. For companies that currently engage contingent workers, look to see if there are project contracts on file and what information they include. By assessing gaps and areas for improvement, enterprises can better pinpoint what needs to be changed and what needs to be created when evaluating a direct sourcing solution.

With the factors above in mind, it is also important to be aware that building and maintaining a centralized program is a big investment of time and cross-functional resources, and it is not typically an area of expertise for most companies. Rather than trying to build their own center of excellence for contingent talent engagement, many enterprises decide to partner with a firm that has expertise in this area.

¹ Karpie, A. (2018, February 5). Direct Sourcing of Independent Professionals: What Enterprises Need to Know in 2018 (Part 3). Retrieved from <http://spendmatters.com/2018/02/05/direct-sourcing-independent-professionals-enterprises-need-know-2018-part-3/>

When selecting a vendor to partner with, it is important to keep organizational needs and goals in mind. For example, many companies solely focus on process outsourcing, payroll, or talent acquisition. Enterprises will benefit most from working with a company that can put a rigorous and consistently enforced process in place for identifying, engaging, and managing contingent talent while indemnifying the enterprise from misclassification and legal risk.

While one size will not fit all, the right vendor should be able to build comprehensive worker classification policies, align contingent worker engagement with the needs of the business, implement a compliance framework, and institute measurable objectives that enable the enterprise to collect data on how the program is doing and evolve and adapt accordingly.



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